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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:

CDDTL License No. 100-4481

THE COMMISSIONER OF BUSINESS
OVERSIGHT

CITATION AND DESIST AND REFRAIN
ORDER PURSUANT TO FINANCIAL CODE
SECTION 23058

Complainant,

vs.

UNITED SOUTHLAND FINANCIAL, INC.
DBA LOANING AMERICA

Respondent

The Complainant is informed and believes, and based upon such information and belief,
alleges and charges Respondent as follows:

I.

BACKGROUND

1. The Commissioner of Business Oversight (“Commissioner”) has jurisdiction over
deferred deposit transactions as set forth in the California Deferred Deposit Transaction Law
(“CDDTL”) (Fin. Code, § 23000 et. seq.). The Commissioner is authorized to pursue administrative
actions and remedies against persons who engage in violations of the CDDTL.

2. “Deferred deposit transaction,” as defined by section 23001, subdivision (a), means a transaction whereby a person defers depositing a “customer’s personal check” until a specific date, pursuant to a written agreement for a fee or other charge.

3. United Southland Financial, Inc. dba Loaning America (hereinafter “Respondent”) is, and was at all relevant times herein, a corporation incorporated in California on December 28, 2011. Robert Kushner is an officer.

4. On or about February 13, 2013, Licensee obtained a license from the Commissioner to engage in the business of deferred deposit transactions at 16129 Hawthorne Blvd., Suite D, Lawndale, CA 90260. The license number is 100-4481.

II.

VIOLATIONS OF THE CDDTL

5. An examination of Respondent commenced by the Commissioner on June 15, 2015, disclosed that Financial Statements of September 30, 2014, December 31, 2014, March 31, 2015, and June 31, 2015 show that Respondent did not maintain a net worth of at least twenty-five thousand dollars (\$25,000.00) in violation of Financial Code section 23007.

6. Financial Code section 23007 provides as follows:

“The applicant shall file with the application financial statements prepared in accordance with generally accepted accounting principles acceptable to the commissioner that indicate a net worth of at least twenty-five thousand dollars (\$25,000). A licensee, regardless of the number of licensed locations shall maintain a net worth of at least twenty-five thousand dollars (\$25,000) at all times.”

III.

CITATION

7. Financial Code section 23058 authorizes the Commissioner to issue a citation not exceeding \$2,500.00 for each violation of any provision of the CDDTL or any rule or order thereunder. Section 23058, subdivisions (a) through (d), provides:

(a) If, upon inspection, examination or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, or a licensee or person is violating any provision of this division or any rule or order thereunder, the department may issue a citation to that person in writing, describing with

1 particularity the basis of the citation. Each citation may contain an order to desist
2 and refrain and assessment of an administrative penalty not to exceed two
3 thousand five hundred dollars (\$2,500.00). All penalties collected under this
section shall be deposited in the State Corporations Fund.

4 (b) The sanctions authorized under this section shall be separate from, and in
5 addition to, all other administrative, civil, or criminal remedies.

6 (c) If within 30 days from the receipt of the citation of the person cited fails to
7 notify the department that the person intends to request a hearing as described in
subdivision (d), the citation shall be deemed final.

8 (d) Any hearing under this section shall be conducted in accordance with Chapter
9 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the
10 Government Code, and in all states the commissioner has all the powers granted
11 therein.

12 8. For the CDDTL violations of Respondent cited herein, the Commissioner hereby
13 issues a Citation as follows:

14 **CITATION** -- Financial Statements of September 30, 2014, December 31, 2014, March
15 31, 2015, and June 31, 2015 show that Licensee did not maintain a net worth of at least twenty-
16 five thousand dollars (\$25,000.00) in violation of Financial Code section 23007.

17 9. Respondent United Southland Financial, Inc. dba Loaning America is hereby
18 ordered to pay the Commissioner an administrative penalty of \$2,500.00 for this citation within
19 30 days from the date these citations are deemed final pursuant to section 23058, subdivision (c).
20 The penalty payment shall be made in the form of a cashier's check payable to the "Department
21 of Business Oversight" and mailed to the attention of Senior Counsel Edward Kelly Shinnick at
22 One Sansome Street, Ste. 600, San Francisco, CA 94104-4428.

IV.

DESIST AND REFRAIN ORDER

10. Financial Code section 23058, subdivision (a), authorizes the Commissioner to order any person to desist and refrain from violating any provision of the CDDTL or any rule or order thereunder.

11. Financial Code section 23050 provides:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. If, within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

12. The foregoing facts establish violations of the CDDTL by Respondent, including: Financial Statements of September 30, 2014, December 31, 2014, March 31, 2015, and June 31, 2015 show that Licensee did not maintain a net worth of at least twenty-five thousand dollars (\$25,000) in violation of Financial Code section 23007.

13. Pursuant to Financial Code sections 23050 and 23058, Licensee is hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California in violation of Financial Code section 23007.

This Order is necessary for the protection of consumers and consistent with the purposes, policies, and provisions of the CDDTL. This Order shall remain in full force and effect until further order of the Commissioner.

Dated: November 24, 2015
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division